

Willard City Corporation

80 West 50 South
Box 593



Willard, Utah 84340
(435)734-9881

MEMORANDUM

TO: RYAN
FROM: TERI
DATE: July 20, 2006
SUBJECT: CELL TOWER

SEVERAL YEARS AGO AT&T BUILT A CELL TOWER ON THE CITY PROPERTY ON THE EAST SIDE OF TOWN BY THE WELL HOUSE. THEY PAY A MONTHLY RENTAL THAT HAD A BUILT IN YEARLY INCREASE. T-MOBILE HAS MERGED WITH CINGULAR AND THEY ARE LOOKING AT THE CONTRACTS THEY HAVE IN ALL AREAS. THEY ARE CURRENTLY PAYING \$740.12 PER MONTH. THEY HAVE OFFERED A COUPLE OF OPTIONS AND ARE ASKING OUR RESPONSE BY AUGUST 4, 2006. SHALL I PUT IT ON THE AGENDA FOR THE 27TH?



Tuesday, July 18, 2006

Attn: Teri Fellenz
Re: T-Mobile Asset Optimization Program
Site Name: Willard Water

Dear Teri,

T-Mobile is actively reviewing its real estate portfolio to determine the changes that will be necessary to remain competitive in the drastically changing wireless telecom industry.

What's happening?

As you may know, Cingular has merged with AT&T Wireless and Sprint has merged with Nextel creating two of the three largest networks in the industry. With Verizon also in the top three, the T-Mobile network is now the smallest of the major carriers. These mergers have resulted in network overlap and the decommissioning of thousands of cell sites in the process. This is a direct result of a shift in the way the wireless industry thinks and operates. In the past, the wireless industry focused on growth and technology. Now, the focus has shifted to operating efficiency and maximizing the value of each cellular site.

How does this affect me?

T-Mobile has embraced the industry trend to reduce operating expenses and will pursue the following avenues with respect to its cell site assets to remain competitive:

- Obtain rights to co-locate on other carriers' cell sites for a lower cost than what it pays on its existing sites.
- Relocate sites to lower cost properties where it pays above market for its existing site location.

The rent guarantee/buyout options below are designed to secure your site through the current changes in the wireless industry. By electing a rent guarantee, all termination clauses, which are typically 30, 60, or 90 days notice by T-Mobile, are removed from the lease during the rental guarantee period. This option commits T-Mobile to your site during this uncertain period regardless of future mergers, operational expense reduction initiatives, or changes in technology.

Criteria for Cellular Site Retention/Guaranteed Rent Stream

T-Mobile is willing to offer you a **guaranteed rent stream of 5 years**. In exchange, T-Mobile requests the following modifications to your current lease agreement:

Option 1 : Guaranteed 5 Year Rent Stream

- Adjust rent to a revised figure of **\$525.00 per year** with future escalations at **12% per Term**.
- Next Term Escalator effective in January of 2011.
- Begin amendment in October of 2006.

9860 Mesa Rim Rd. San Diego, CA 92121
P: (858) 799-7864 F: (858) 630-4281

Option 2 : Guaranteed 5 Year Rent Stream

- Adjust rent to a revised figure of **\$585.00 per year** with future escalations at **10% per Term**.
- Next Term Escalator effective in January of 2011.
- Begin amendment in October of 2006.

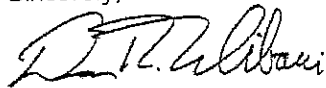
Lease Enhancements: (needed for both options)

1. **Expansion of Permitted Use:** Lessor hereby agrees, at the direction of Lessee, to allow the Lessee to modify, supplement, replace, upgrade, expand or refurbish the equipment related to the Lessee's communications facility ("Communications Facility"), increase the number of antennas thereon or relocate the Communications Facility within the Premises at any time during the term of this Agreement, Lessor shall cooperate with Lessee in all respects in connection with the foregoing. If Lessor does not comply with the terms of this section, Lessee may terminate this Agreement and shall have no further liability to Lessor.

2. **Expansion of the Premises.** Lessor grants Lessee the right, to the extent practicable and on a space available basis, to enlarge the Premises or to make space available on the Property for Lessee so that Lessee (and its subtenant/sublessee) may implement any necessary modifications, supplements, replacements, refurbishments, or expansions to the communication facility or to any equipment related thereto, or for any other reasons, as determined by Lessee in its sole discretion.

T-Mobile values its affiliation with you and hopes to continue a long and mutually profitable relationship in the years to come. Participation in this program is optional and T-Mobile will continue to abide by the terms of your original agreement, including T-Mobile's rights to exercise termination rights where they exist. Please feel free to contact me if you have additional questions or would like to discuss next steps. Thank you for your consideration.

Sincerely,



Danny Ulibarri

Lease Consultant

Md7

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San Diego CA 92121
858-799-7864 direct
858-799-7850 main
858-630-4281 fax
dulibarri@md7.com
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*9860 Mesa Rim Rd. San Diego, CA 92121
p: (858) 799-7864 f: (858) 630-4281*

ID: SL01047B_1
Site Address: 140 North 300 East
Willard City, UT 84340

T-MOBILE

FIRST AMENDMENT TO SITE LEASE AGREEMENT

THIS FIRST AMENDMENT TO SITE LEASE AGREEMENT ("Amendment") is made by and between WILLARD CITY CORPORATION (together with its successors and assigns, "Landlord"), and T-MOBILE WEST CORPORATION, a Delaware corporation (together with its successors and assigns, "Tenant"), as successor in interest to Western PCS II Corporation, a Delaware corporation.

RECITALS

WHEREAS, Landlord and Tenant (or their predecessors in interest) entered into a Site Lease Agreement dated September 28, 1995 (as may be supplemented and amended, the "Lease"); whereby Landlord leased to Tenant certain Premises, therein described and otherwise used by Tenant (the "Premises"), that are a portion of the Property located at 140 North 300 East, Willard City, UT 84340 (the "Property");

WHEREAS, Tenant desires a reduction in its Rent obligations under the Lease and Landlord is willing to reduce Tenant's Rent obligations for a certain period of time, provided Tenant commits to pay Rent to Landlord for a rent lock-in period.

WHEREAS, Landlord and Tenant, in their mutual interest, wish to amend the Lease to accomplish the foregoing on the following terms and conditions;

NOW THEREFORE, in consideration of the foregoing Recitals which are incorporated herein by this reference, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. **Term.** The current term (whether such term is the initial term, a renewal term, a modified term or other name) is hereby amended so that starting on October 1, 2006, (the "Extension Date") such current term shall continue for fifty-one (51) months, expiring on December 31, 2010 (the "Modified Term"), and rent for any partial month or partial year of the current term prior to the Extension Date shall be prorated. After the Modified Term, and notwithstanding anything to the contrary in any renewal provisions of the Lease, Tenant shall have the right to renew the Lease for up to five (5) additional sixty (60) month periods (each a "Renewal Term"). Each Renewal Term shall automatically commence, on the same terms and conditions of the Lease, without further action by Tenant, unless Tenant provides Landlord with written notice of its intention not to renew at least ninety (90) days prior to the end of the Modified Term or of any Renewal Term.

2. **Modification of Rent.** Commencing on the Extension Date, the rent ("Rent") payable under the Lease for the Modified Term shall be Five Hundred Eighty Five and No/100 Dollars (\$585.00) per month, subject to adjustments as provided below. The Rent shall be paid monthly to Landlord, in advance by the fifth day of each month throughout the Modified Term.

3. **Future Rent Increases/Rent Proration.** The Lease is amended to provide that commencing on the first day of each Renewal Term, if any, Rent shall be increased by ten percent (10%) of the Rent in effect immediately prior to the adjustment date. Rent for any partial period shall be prorated on a per diem basis.

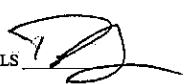
4. **Modification of Tenant's Obligation to Pay – Rent Lock-In.** Tenant hereby agrees that Tenant will be obligated to pay the Rent due hereunder for the sixty (60) month period immediately following the Extension Date (the "Rent Lock-in Period"), and such obligation will not be subject to offset or abatement by Tenant, or adversely impacted by termination of the Lease by Tenant. Notwithstanding the foregoing, or any term or condition to the contrary in the Lease, Tenant shall have the right during the Rent Lock-In Period to immediately terminate the Lease upon written notice, if and only if Tenant is substantially unable to use the Premises for its permitted "uses" (i) for a period of ninety (90) days due to casualty damage, or (ii) due to a taking or condemnation under the power of eminent domain, as of the date of acquisition or possession by the condemning authority, or (iii) due to the failure of Landlord to cure Landlord's default under this Lease within thirty (30) days after receipt of notice of such default, or (iv) due to any material interference to Tenant's use of the Premises which remains unresolved after ten (10) days notice from Tenant to Landlord. In the event of such termination, and as of such termination, Tenant shall have no obligation to pay the Rent due during the remaining Rent Lock-In Period.

5. **Notices.** All notices, requests, demands and communications under the Lease as amended hereby will be given by first class certified or registered mail, return receipt requested, or by a nationally recognized overnight courier, postage prepaid. Notices will be addressed to the parties as follows: (i) as to Tenant, T-Mobile, 12920 SE 38th St., Bellevue, WA 98006, ATTN: Lease Administrator and Legal Department, and (ii) as to Landlord, WILLARD CITY CORPORATION, 140 N. 300 East, Willard, UT 84340. Either party hereto may change the place for the giving of notice to it by not less than thirty (30) days' prior written notice to the other as provided herein.

6. **Other Terms and Conditions Remain.** The Lease is amended to incorporate all the provisions set forth on Schedule I attached hereto, if applicable. In the event of any inconsistencies between the Lease and this Amendment and the provisions set forth on Schedule I, the terms of this Amendment and Schedule I shall govern and control. Except as expressly set forth in this Amendment, the Lease otherwise is unmodified and remains in full force and effect. Each reference in the Lease to itself shall be deemed also to refer to this Amendment; provided, however, that nothing contained in this Amendment or in any other document shall be deemed or construed so as to waive or modify any right or option of the Tenant under the Lease, except to the extent expressly modified in this Amendment. This Amendment may be executed in multiple counterparts and signatures sent by facsimile or e-mail may be treated as original signatures.

7. **Miscellaneous.** Landlord acknowledges that: (a) this Amendment is entered into of the Landlord's free will and volition; (b) Landlord has read and understands this Amendment and the underlying Lease and, prior to execution of the Amendment, was free to consult with counsel of its choosing regarding Landlord's decision to enter into this Amendment and to have counsel review the terms and conditions of the Amendment; and (c) Landlord has been advised and is informed that should Landlord not enter into this Amendment, the underlying Lease between Landlord and Tenant, including any termination or non-renewal provision therein, would remain in full force and effect.

[[SIGNATURES APPEAR ON THE FOLLOWING PAGE]]



IN WITNESS WHEREOF, the parties have caused their properly authorized representatives to execute and deliver this Amendment effective as of 10/1, 2006 ("Effective Date").

WITNESS:

Landlord:

WILLARD CITY CORPORATION

Jerene Burbank
Print Name: Jerene Burbank

Gaylene Nebeker
Print Name: Gaylene Nebeker

WITNESS:
Babette Amayo
Print Name: _____

Print Name: _____

By: [Signature]

Name: Ryan Pingey

Title: Mayor

Tax ID: 87-6112514

Tenant:

T-Mobile West Corporation, a Delaware corporation

By: [Signature]

Name: Wayne Leuck

Title: Area Director

SCHEDULE I

1. **Expansion of Permitted Use:** Landlord hereby agrees Tenant shall have the right without the requirement of obtaining Landlord's consent, to modify, supplement, replace, upgrade, expand or refurbish the equipment related to the Tenant's communications facility ("Communications Facility"), increase the number of antennas thereon or relocate the Communications Facility within the Premises at any time during the term or any renewal term of this Lease. Landlord shall cooperate with Tenant in all respects in connection with the foregoing. If Landlord does not comply with the terms of this section, Tenant may exercise all of its rights and remedies under law or equity including without limitation, to terminate this Lease and upon such termination, shall have no further liability to Landlord.
2. **Expansion of the Premises.** Landlord grants Tenant the right, without any additional fee, to the extent practicable and on a space available basis, to enlarge the Premises or Landlord to make space available on the Property for Tenant so that Tenant (and its subtenant/sublessee) may implement any necessary modifications, supplements, replacements, refurbishments, or expansions to the Communications Facility or to any equipment related thereto, or for any other reasons, as determined by Tenant in its sole discretion.